Hi Ms. Kwei,

My wife has a long term care insurance policy issued by CNA (a/k/a Continental Casualty Company). Her policy's "Form Number" begins with P1-N0100-___ (I leave the last part blank for confidentiality reasons, but can supply later if needed). This same Form Number is one of the ones that CNA is requesting a premium increase on in the May 2020 hearing.

CNA has been granted 15% rate increases in 2018 and 2019. It looks like now they are coming back for yet another increase (probably 15%, I'm guessing) for 2020. That would mean 15% premium increases for three years in a row! This seems excessive.

The policy application was signed dated 09/02/2002 (which I think is the policy effective date). I read that policies issued after 10-1-2002 were subject to a new regulation whereby an LTC insurer had to build in a "cushion" to its actuarial calculations, assuming a moderately adverse claims experience. The idea was to obviate premium increases over the life of the policy. Apparently my wife's policy was not subject to that regulation since it was issued before the effective date of the new regulation. But even so, it seems unfair to continually approve rate increases on this policy Form year after year. It also seems inconsistent with the spirit of the new regulation of 2002.

I request that no premium increase be approved on this Policy Form P1-N-0100 in 2020 or any future year (or at least for a number of years into the future). Please place this message into the record to be used at the upcoming hearing in May 2020.

Please tell me when the actuarial report from CNA on this requested increase becomes available on your website and where I can find it. Please tell me the percentage increase in premiums that CNA is now requesting. Please share this message with your chief actuary, your legal counsel, and any other appropriate departments of the MIA.

Sincerely,

Dave
--
David S. Kosterlitz
6209 Hollins Dr
Bethesda, MD 20817

(301) 928-1818

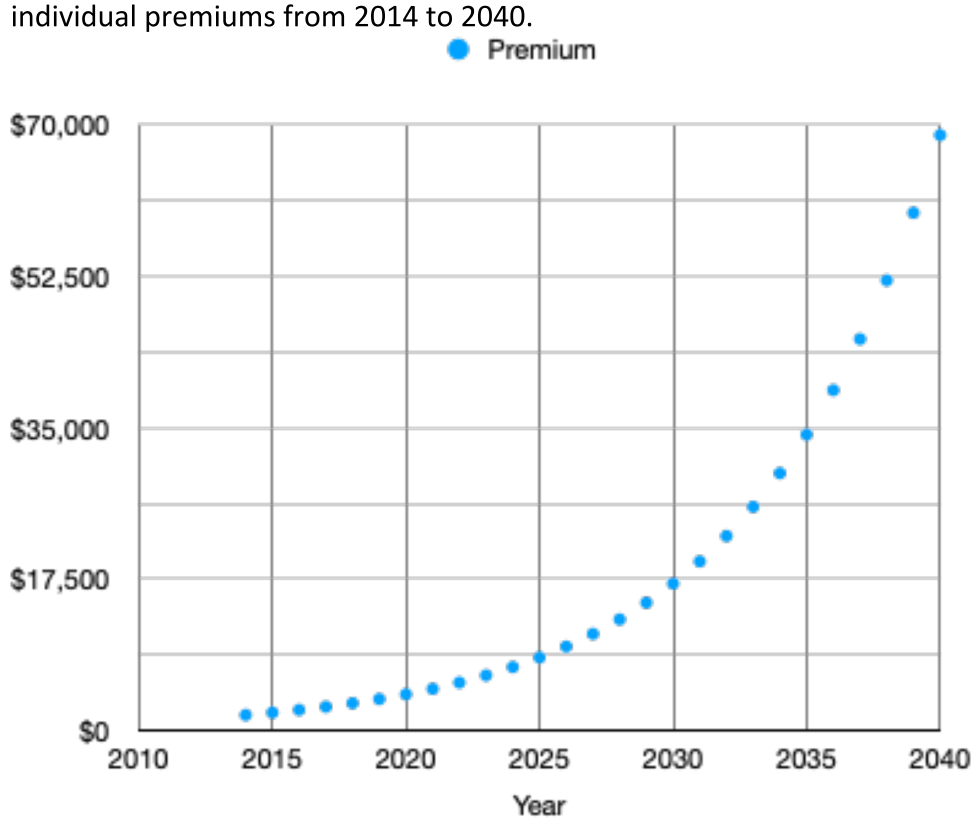
May 3, 2020

Maryland Insurance Administration

Dear Commission Representatives:

My name is Gary M. Carter and I am a resident of Maryland. I am writing this letter in response to your May 13, 2020 Long-Term Care Hearing. I would like to give oral testimony as well as have this letter be part of the written comments that you have solicited.

My wife and I each have had a Continental Casualty Company long-term care policy since 2000. Specifically, we have the policies that are labeled as P1-N0100. I would like to call your attention to a disturbing trend in their rate increases since 2014. Your commission has allowed Continental Casualty Company to apply a annual 15% increase to these policies since 2014. This is a faster rate of growth than any other consumer product and appears to me to be out of line. Health care and long-term care costs have not increased at this rate. In fact, Genworth's Cost of Care Survey 2014 and 2019 shows the average daily rate for a private room in a nursing home in the Greater Baltimore area went from $289 to $358 during this time period. That is a yearly increase of 4.4%! In the following I am presenting a graph of 15% a year growth on my individual premiums from 2014 to 2040.



Clearly, this an absurd increase that no one can afford. I understand that as people become ill the costs for some of the policies do increase. However, this is a self-fulling prophecy. By segmenting the policies, the company can guarantee that the policy holders will be forced to give them up. First, they stop issuing those particular versions of the policy. This ensures that the pool stays small and as the pool ages it will allow the company to raise these projected rates to astronomical levels. In the end there will be just a few people to share the entire burden of the cost for those few people. This is not how insurance should work. By having a larger pool one can keep the overall costs down. By not spreading the costs this results in real age discrimination by putting all the pressure on the aging population.

In the interest of the public and consumer welfare I urge you to reject such large increases in Continental Casualty Company's long-term care premiums.

Sincererly,

signature on original

Gary M. Carter
4144 Henhawk Court
Ellicott City, MD 21042
(443) 812-5318
Email: 3carters@verizon.net

I have to wonder how long it is that one of the most financially restricted age groups in the country will continue to have to pay more each year for the mistake that insurance actuaries failed to project the proper cost of long term care insurance for the length of a person's needs.

I also have to wonder if the insurance companies well knew that their pricing at the inception of their policies would not sell if sold at the projected costs 10 years in the future. They simply relied on state insurance oversight to continue to allow increases over the entire length of the policies they wrote.

If the excuse for the increases is that the insurance companies will go bankrupt if these increases are not allowed, then the whole concept of long term care insurance needs to change. The insurance companies need to be tasked with finding the needed changes.

Howard Friedman
Edgewater, Maryland